SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54857; File No. SR-NASD-2006-101)

December 1, 2006

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto to Provide for the Payment of a $200 Honorarium per Case for Each Arbitrator who Considers Contested Motions for the Issuance of Subpoenas

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on August 23, 2006, the National Association of Securities Dealers, Inc. ("NASD") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD. On November 13, 2006, NASD filed Amendment No. 1 to the proposed rule change.[3] The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I.   Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

NASD is proposing to provide for the payment of a $200 honorarium per case for each arbitrator who considers contested motions for the issuance of subpoenas. Below is the text of the proposed rule change.[4] Proposed new language is underlined.

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[1]   15 U.S.C. 78s(b)(1).

[2]   17 CFR 240.19b-4.

[3]   In Amendment No. 1, NASD clarified provisions to the proposed rule change.

[4]   If the Commission approves the pending revisions to the NASD Code of Arbitration Procedure for Customer Disputes, the rules proposed in this filing will be renumbered as appropriate; see Securities Exchange Act Release No. 51856 (June 15, 2005) (SR-NASD-2003-158), 70 FR 36442 (June 23, 2005); and the NASD Code of Arbitration Procedure for Industry Disputes; see Securities Exchange Act Release No. 51857 (June 15, 2005) (SR-NASD-2004-011), 70 FR 36430 (June 23, 2005).